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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**
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9 Parsons Xtreme Golf LLC,

10 Plaintiff,

11 v.

12 Taylor Made Golf Company Incorporated,

13 Defendant.
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No. CV-17-03125-PHX-JJT

ORDER

15 At issue is Defendant Taylor Made Golf Company Inc.’s (“Taylor Made”) Motion
16 for Leave to File Amended Counterclaim (Doc. 87, Mot.), to which Plaintiff Parson’s
17 Xtreme Golf LLC (“PXG”) filed a Response (Doc. 94, Resp.), and to which Taylor Made
18 filed a Reply (Doc. 97, Reply). Upon a showing of good cause, the Court grants Taylor
19 Made’s Motion.

20 **I. BACKGROUND**

21 In the January 9, 2018 Scheduling Order, the Court set February 2, 2018, as the
22 deadline for motions to amend the Complaint and to join additional parties. (Doc. 61,
23 Scheduling Order at 2.) At the February 2 deadline, PXG filed its Second Amended
24 Complaint with the consent of Taylor Made. On February 15, shortly before Taylor
25 Made’s Answer to the Second Amended Complaint was due, PXG delivered a letter to
26 Taylor Made identifying alleged deficiencies with four patents¹ asserted as the basis for a

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28 ¹ These patents are U.S. Patent Nos. 8,096,896 (the “896 patent”), 8,287,402 (the
“402 patent”), 9,452,325 (the “325 patent”), 9,839,821 (the “821 patent”) (collectively,
the “Withdrawn Patents”).

1 number of Taylor Made's counterclaims. (Resp. Ex. A.) In that letter, PXG demanded
2 that Taylor Made pull the Withdrawn Patents from its Counterclaim. (Resp. Ex. A at 3–
3 4.) The following day, in conjunction with its Amended Answer, Taylor Made filed its
4 Motion for Leave to File an Amended Counterclaim. In its proposed Amended
5 Counterclaim, Taylor Made seeks to remove the Withdrawn Patents identified in PXG's
6 letter in favor of two patents² that it had not asserted in its prior Counterclaim. (Mot.
7 At 2.) Although the New Patents contain different claim limitations, the substance of
8 Taylor Made's proposed Amended Counterclaim remains largely the same, as Taylor
9 Made continues to allege infringement by the same set of PXG drivers, fairway woods,
10 and hybrids. (Mot. at 3.)

11 **II. LEGAL STANDARD**

12 A party may amend a pleading once as a matter of course within 21 days after
13 service, or within 21 days of service of, among others, a Rule 12(b)(6) motion. Fed. R.
14 Civ. P. 15(a). In all other circumstances, absent the opposing party's written consent, a
15 party must seek leave to amend from the court. Fed. R. Civ. P. 15(a)(2). Although the
16 decision to grant or deny a motion to amend is within the trial court's discretion, "Rule
17 15(a) declares that leave to amend shall be freely given when justice so requires." *Foman*
18 *v. Davis*, 371 U.S. 178, 182 (1962) (citation and internal quotation marks omitted). "In
19 exercising its discretion with regard to the amendment of pleadings, a court must be
20 guided by the underlying purpose of Rule 15—to facilitate a decision on the merits rather
21 than on the pleadings or technicalities." *Eldridge v. Block*, 832 F.2d 1132, 1135 (9th Cir.
22 1987) (citation and internal quotation marks omitted).

23 However, the policy in favor of allowing amendments is subject to limitations.
24 *Madeja v. Olympic Packers*, 310 F.3d 628, 636 (9th Cir. 2002) (holding that after a
25 defendant files a responsive pleading, leave to amend is not appropriate if the
26 "amendment would cause prejudice to the opposing party, is sought in bad faith, is futile,

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28 ² The patents are U.S. Patent Nos. 6,969,326 (the "'326 patent") and 7,281,994 (the "'994 patent") (collectively, the "New Patents").

1 or creates undue delay”). Moreover, where a court has entered a scheduling order under
2 Rule 16 and set a deadline for amending the pleadings, a request to amend a pleading
3 after the deadline is in effect a request to modify the case schedule and must be evaluated
4 under Rule 16. *Coleman v. Quaker Oats Co.*, 232 F.3d 1271, 1294 (9th Cir. 2000). Under
5 Rule 16, a party must show “good cause for not having amended their complaint before
6 the time specified in the scheduling order expired.” *Id.* “This standard ‘primarily
7 considers the diligence of the party seeking the amendment.’” *Id.* (citing *Johnson v.*
8 *Mammoth Recreations, Inc.*, 975 F.2d 604, 607 (9th Cir. 1992)).

9 **III. ANALYSIS**

10 Because Taylor Made’s request comes after the Court’s deadline for amendment,
11 it must demonstrate that “good cause” exists to grant to the Motion. *Coleman*, 232 F.3d at
12 1294. Thus, the Court must consider whether Taylor Made acted diligently in seeking
13 leave to amend. *See id.* In support of its Motion, Taylor Made argues that it acted
14 diligently because it moved to amend within a day of PXG’s letter, which brought to light
15 purported deficiencies with the Withdrawn Patents in Taylor Made’s prior Counterclaim.
16 (Mot. at 3.) In response, PXG argues that Taylor Made focuses on the wrong date in
17 determining whether good cause exists and that, as the holder of the patents, Taylor Made
18 should have been aware of any facial defects at the time it initially filed its Counterclaim.
19 (Resp. at 4.) Thus, PXG concludes that Taylor Made’s diligence should be measured
20 from November 2017, when the Counterclaim at issue was first filed.

21 The Court finds good cause sufficient to permit modification of the Scheduling
22 Order and the filing of an Amended Counterclaim regardless of the date that it looks to.
23 Taylor Made filed its Motion the day after receiving PXG’s letter and, at worst, the
24 Motion comes less than three months after Taylor Made first filed its Answer and
25 Counterclaim. (*See* Doc. 40.) As such, the Court does not find any lack of diligence on
26 Taylor Made’s behalf. Thus, good cause exists to modify the Scheduling Order and to
27 grant the Motion.

1 In addition to a showing of good faith under Rule 16, Taylor Made must also
2 satisfy the requirements for amendment under Rule 15. Thus, the Court shall freely
3 permit amendment unless “it would cause prejudice to the opposing party, is sought in
4 bad faith, is futile, or creates undue delay.” *Madeja*, 310 F.3d at 636. PXG does not
5 contend, nor does the Court find, that Taylor Made has acted in bad faith or that the
6 amendment is futile. And, because the Court determines that Taylor Made acted with
7 sufficient diligence, PXG fails to demonstrate any undue delay by Taylor Made. Thus,
8 the Court must only assess PXG’s argument that allowing Taylor Made to amend its
9 Complaint is “entirely unfair to PXG.” (Resp. at 5.)

10 PXG’s assertion of prejudice fails to convince the Court. Although PXG points to
11 case law in support of its argument, the cited cases involve a party seeking amendment
12 either after summary judgment or after the close of discovery. (Resp. at 5 (citing *Jackson*
13 *v. Bank of Hawaii*, 902 F.2d 1385, 1387–88 (9th Cir. 1990) (finding amendment after
14 summary judgment briefing unduly prejudicial) and *Safety Dynamics Inc. v. Gen. Star*
15 *Indem. Co.*, No. CV-09-00695-TUC-CKJ, 2014 WL 11281291, at *7 (D. Ariz. Mar. 5,
16 2014) (finding amendment after the close of discovery prejudicial)).) These cases do not
17 apply here because the case at hand is still in its infancy. Moreover, PXG’s rationale is
18 troubling in light of the amendment of its own Complaint—which also added a new
19 patent—two weeks prior to Taylor Made’s Motion. (*See* Doc. 77.) Although amendment
20 of the Counterclaim may require the adjustment of additional deadlines in the Scheduling
21 Order, PXG fails to demonstrate that it would suffer prejudice as a result of Taylor
22 Made’s proposed amendment.

23 IT IS THEREFORE ORDERED granting Taylor Made’s Motion for Leave to File
24 Amended Counterclaim (Doc. 87).

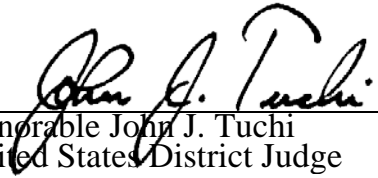
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1 IT IS FURTHER ORDERED denying as moot Taylor Made's Motion for Hearing
2 (Doc. 110).

3 Dated this 11th day of May, 2018.

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6 Honorable John J. Tuchi
United States District Judge
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